

Savings Plus Transition

# Frequently asked questions and answers

**Q. Why did the State of California choose Aon Hewitt to be the new administrator for Savings Plus?**

**A.** The current Savings Plus contract for administrative services with Nationwide Retirement Solutions (Nationwide) expires at the end of the year. After a thorough evaluation of the bid proposals received, Savings Plus awarded the new contract to Aon Hewitt effective January 2, 2013.

**Q. Will I have access to my account(s) during the transition to Aon Hewitt?**

**A.** While the transition to Aon Hewitt will be relatively seamless, this change requires a transition period, or “blackout period,” to ensure the accurate conversion of data from Nationwide to Aon Hewitt. During the blackout period, you cannot perform transactions in your account(s). However, your plan assets remain fully invested during the blackout period and are subject to market gains and losses. The blackout period begins at 1:00 p.m. PT on December 26, 2012, and is expected to end on January 2, 2013.

**Q. Will my Savings Plus account(s) continue to be secure?**

**A.** Yes. Protecting the personal and confidential data of participants through technical, administrative, and physical safeguards is a top priority for Aon Hewitt. You’ll need to provide information to confirm your identity as the sole person authorized to access your account online or by phone.

**Q. Will my previous quarterly account statements from Nationwide continue to be available online?**

**A.** No. You should download copies of your prior account statements from Nationwide that you wish to retain for your records by visiting **sppforu.com** by 1:00 p.m. PT on December 26, 2012. You’ll receive a final statement in the mail from Nationwide in the first quarter of 2013 that reflects the account balance that transitioned to Aon Hewitt, and a zero balance as of December 31, 2012.

**Q. How will I receive my fourth quarter statement?**

**A.** Nationwide will mail a final paper statement to all participants to the address that is on file. If you normally receive electronic statements, you’ll need to re-elect this option by going to the new website **savingsplusnow.com** after January 2, 2013 and selecting electronic statement delivery.



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**Q. Will I need to re-enroll in Savings Plus because of the change in administrators?**

**A.** No. We'll transfer your Savings Plus account(s) to Aon Hewitt with your same investment fund allocations and contribution amounts on file with Nationwide as of the transfer date.

**Q. How can I access my Savings Plus account(s) once the transition to Aon Hewitt is complete on January 2, 2013?**

**A.** Savings Plus will feature a new, enhanced website and phone number with new customer service hours beginning January 2, 2013. Both our website and our toll free phone system are completely secure. You must confirm your identity as the sole person authorized to access your account.

In late December, you'll receive a temporary password in the mail. This temporary password will allow you to access your account online and by phone beginning January 2, 2013. The first time you access your account through the new Savings Plus website, you'll be prompted to create a personalized User ID and password. You'll also create a password reminder and provide answers to security questions in case you forget your password in the future.

**Q. With the administrator change, will Savings Plus's investment options change?**

**A.** No. The administrator change will not impact the Savings Plus investment options. Savings Plus will offer the same diverse investment fund lineup.

### Annualized fee savings

| Account balance | Current fee structure |                        |                  | New fee structure |                      |
|-----------------|-----------------------|------------------------|------------------|-------------------|----------------------|
|                 | Admin. fee            | Expense reimbursement* | Total annual fee | Admin. fee        | Total annual savings |
| \$10,000        | \$18                  | \$10                   | \$28             | \$18              | \$10                 |
| \$50,000        | \$18                  | \$50                   | \$68             | \$18              | \$50                 |
| \$75,000        | \$18                  | \$75                   | \$93             | \$18              | \$75                 |
| \$100,000       | \$18                  | \$100                  | \$118            | \$18              | \$100                |

\*This 0.10% expense is assessed against investments options and paid to Savings Plus to reduce administrative expenses.

**Q. Will Savings Plus continue to offer a self-directed brokerage option for experienced investors who seek a wider variety of investment options?**

**A.** Yes. Savings Plus will continue to offer a self-directed brokerage option; however, not through Charles Schwab & Co., Inc. (Member SIPC). Beginning January 2, 2013, Hewitt Financial Services LLC (HFS) will provide the brokerage services for Savings Plus. If you maintain a Savings Plus Personal Choice Retirement Account® (PCRA), we'll transfer it to HFS.

The last day to trade in your existing PCRA will be December 11, 2012. The last day to transfer assets to or from the core investment lineup will be December 14, 2012. A blackout period will follow while the assets are transferred in kind from Charles Schwab & Co., Inc. (Member SIPC) to HFS. During the blackout period, your assets will remain invested and are subject to market gains and losses. You can access your new HFS brokerage account beginning January 2, 2013. In late October, we'll mail detailed information about your brokerage account and the actions you may wish to take.

**Q. Will the Savings Plus administration fees change?**

**A.** Yes. Savings Plus will continue to charge an administrative fee of \$1.50 per month per plan. However, we will remove the 0.10% expense currently assessed against investment options. This means a cost savings for you. The table illustrates how this change affects your account(s).

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### Q. How can I get help with my retirement planning?

A. With Aon Hewitt, Savings Plus will offer a variety of tools and support to help with your retirement planning decisions. Benefits include:

- **One-on-one meetings and retirement planning workshops:** Beginning January 2, 2013, regional Aon Hewitt Financial Education Specialists will be available to meet with you one-on-one to review your account and to show you how to get financial advice. These Specialists will also host group retirement planning sessions at various locations.
- **Advice services:** Beginning January 9, 2013, you can access investment help to fit your needs with Online Advice, provided at no additional cost to you, and affordable Professional Management. Both services are provided by Aon Hewitt Financial Advisors and powered by Financial Engines®.

#### Online Advice

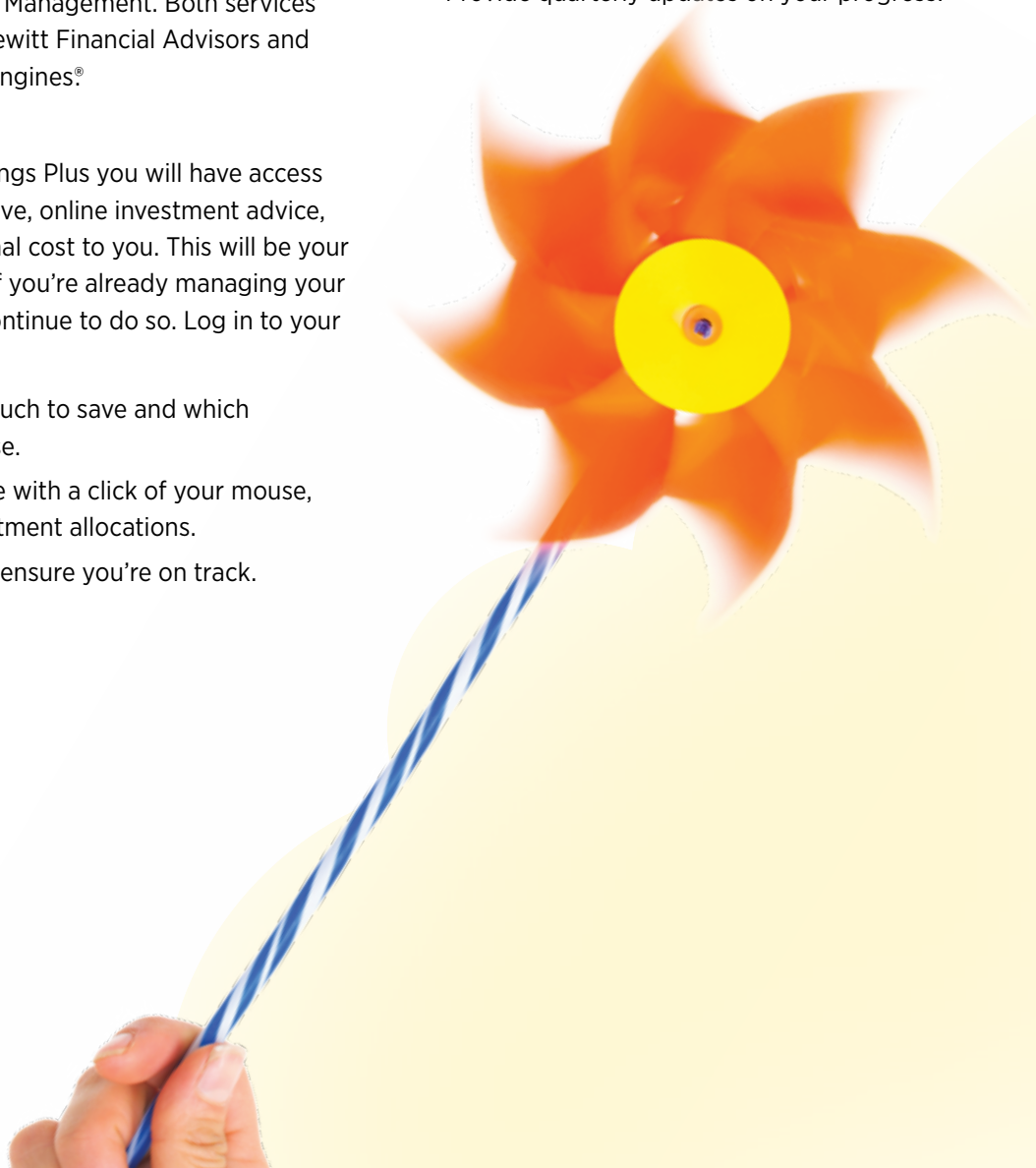
As a participant in Savings Plus you will have access to personalized, objective, online investment advice, provided at no additional cost to you. This will be your source for online help if you're already managing your account and want to continue to do so. Log in to your account to:

- Get advice on how much to save and which investments to choose.
- Implement the advice with a click of your mouse, to change your investment allocations.
- Check in regularly to ensure you're on track.

#### Professional Management

If you prefer to leave the investing to an expert, consider Professional Management. You will get affordable, personalized portfolio management services using the Savings Plus investment lineup provided by an independent and unbiased advisor. The registered Investment Advisor's sole purpose is to provide retirement help. They do not sell investments and do not receive commissions. For a reasonable fee, Aon Hewitt Professional Management will:

- Create a personalized retirement strategy for investing, savings, and preparing for retirement income.
- Put your plan into action, monitor your portfolio and keep you on track.
- Provide quarterly updates on your progress.



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### Q. What other Savings Plus features will change?

A. To coincide with the administrator change, Savings Plus is taking this opportunity to make the following enhancements effective January 2, 2013:

- **Roth contributions:** In addition to saving on a before-tax basis, you can choose to make after-tax Roth contributions to your Savings Plus 401(k) and 457 Plan account(s). Roth contributions are after-tax deductions, so your current tax bill won't be reduced. However, you may withdraw Roth contributions and related earnings tax-free at retirement—a potentially significant tax break if you're in a higher income tax bracket when you retire than when you made the contributions.
- **Socially Responsible Fund asset category:** In order to provide a more diversified investment option, the Socially Responsible Fund will change from a large cap to a balanced asset category. This change is not related to the change in administrators.
- **Paperless transactions:** For your convenience, many of the transactions that currently require a paper form will be available online and by phone.
- **Electronic delivery of account statements and transaction confirmations:** To reduce our carbon footprint, anyone enrolling after January 2, 2013 will automatically receive statements electronically unless they opt in to receive paper.  
You can still elect paper delivery, but we encourage you to take this opportunity to help preserve our environment. Make sure you have a valid email address on file with Savings Plus.
- **Mobile access for retirement planning on-the-go:** Review your account at any time and from any place through your smart phone.

- **Automatic investment rebalancing:** Because no two investments gain or lose value at exactly the same rate, over time you may end up with higher balances in some asset categories than in others, potentially exposing you to investment risk that's above your comfort level. The new automatic rebalancing feature restores your investment allocation to maintain the level of risk you originally selected. Rebalancing occurs the day you make your rebalancing election and then every 90 days, 180 days, or annually thereafter, based on the frequency you elect.
- **Enhanced fund fact sheets delivered through Lipper:** View a detailed analysis of each investment option on Lipper Fund Fact Sheets when you access your account online. The new fund fact sheets provide best-in-class investment information, such as:
  - At-a-glance views of key investment elements for each fund.
  - Color and graphics to demonstrate results.
  - The ability to drill down for user-friendly, yet comprehensive, investment details.
  - Information and insights for certain types of investments.

### Q. Where can I go right now to obtain more information about Savings Plus and the transition to Aon Hewitt?

A. Visit [calhr.ca.gov](http://calhr.ca.gov) for more information about Savings Plus and the transition to Aon Hewitt.

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